

## 1 SENATE BILL NO. 175

2 INTRODUCED BY B. GLASER

3 BY REQUEST OF THE REVENUE AND TAXATION INTERIM COMMITTEE

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LIGHT VEHICLE REGISTRATION FEES  
6 AND OTHER MOTOR VEHICLE LAWS; CLARIFYING CERTAIN PROVISIONS RELATED TO LIGHT VEHICLE  
7 REGISTRATION FEES APPROVED BY THE ELECTORATE ON NOVEMBER 7, 2000, AND TO OTHER  
8 MOTOR VEHICLE LEGISLATION ENACTED BY THE 56TH LEGISLATURE; CLARIFYING THAT THE MOTOR  
9 VEHICLE TAX APPEAL PROCEDURE FOR LIGHT VEHICLES APPLIES ONLY TO THE LOCAL OPTION  
10 VEHICLE TAX; CLARIFYING THE PAYMENT OF MOTOR VEHICLE REGISTRATION FEES TO THE  
11 HIGHWAY PATROL PENSION TRUST FUND; ALLOWING A LIGHT VEHICLE THAT IS REGISTERED FOR  
12 A 24-MONTH PERIOD OR THAT IS PERMANENTLY REGISTERED TO DISPLAY NUMBER PLATES IN  
13 EFFECT AT THE TIME OF REGISTRATION; PROVIDING THAT AN EX-PRISONER OF WAR OR SURVIVING  
14 SPOUSE IS EXEMPT FROM THE LIGHT VEHICLE REGISTRATION FEE; REMOVING LANGUAGE RELATED  
15 TO THE MOTOR VEHICLE SUSPENSE FUND; CLARIFYING THE DISTRIBUTION OF MOTOR VEHICLE FEES;  
16 CLARIFYING THE DISTRIBUTION OF THE LOCAL OPTION VEHICLE TAX OR FEE; AMENDING SECTIONS  
17 15-10-420, 15-15-201, 15-16-202, 19-6-709, 20-9-141, 20-9-331, 20-9-333, 23-2-616, 61-3-321,  
18 61-3-332, 61-3-457, 61-3-463, 61-3-501, 61-3-507, 61-3-509, 61-3-537, 61-3-560, 61-3-562,  
19 61-3-736, 61-3-737, AND 61-3-738, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, A  
20 RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE."

21

22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

23

24 **Section 1.** Section 15-10-420, MCA, is amended to read:

25 **"15-10-420. Procedure for calculating levy.** (1) A governmental entity that is authorized to impose  
26 mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the  
27 prior year, even if that levy is greater than the levy established by law. The maximum number of mills that  
28 a governmental entity may impose is established by calculating the number of mills required to generate  
29 the amount of property tax actually assessed in the governmental unit in the prior year based on the  
30 current year taxable value, less the value of newly taxable property.

(2) A governmental entity may apply the levy calculated pursuant to subsection (1) plus any additional levies authorized by the voters to all property in the governmental unit, including newly taxable property.

(3) For purposes of this section, newly taxable property includes:

(a) annexation of real property and improvements into a taxing unit;

(b) construction, expansion, or remodeling of improvements;

(c) transfer of property into a taxing unit;

(d) subdivision of real property;

(e) reclassification of property;

(f) transfer of property from tax-exempt to taxable status; and

(g) revaluations caused by expansion, addition, replacement, or remodeling of improvements.

(4) Subsection (1) does not apply to school district general fund levies and the school district levy for tuition obligations established in 20-5-324(5).

(5) For purposes of subsection (1), taxes imposed:

(a) include registration fees ~~imposed~~ collected on light vehicles under ~~61-3-561~~ 61-3-560 through 61-3-562 and distributed under ~~61-3-509(2)(1)(b)~~; and

(b) do not include net or gross proceeds taxes received under 15-6-131 and 15-6-132.

(6) In determining the maximum number of mills in subsection (1), the governmental entity shall take into account any change from the prior year in the amount of statutory reimbursements for changes in the property tax laws. The amount of motor vehicle disposition under 61-3-509(2), as that section read on December 31, 2000, is an increased statutory reimbursement. It may increase the number of mills to account for a decrease in reimbursements and shall decrease the number of mills to fully account for any increase in reimbursements.

(7) The department shall calculate the number of mills to be imposed for purposes of 15-10-107, 20-9-331, 20-9-333, 20-9-360, 20-25-423, 20-25-439, and 53-2-813. However, the number of mills calculated by the department may not exceed the mill levy limits established in those sections.

(8) The department may adopt rules to implement this section. The rules may include a method for calculating the percentage of change in valuation for purposes of determining the elimination of property, new improvements, or newly taxable property in a governmental unit."

1           **Section 2.** Section 15-15-201, MCA, is amended to read:

2           **"15-15-201. Motor vehicle tax appeals -- payment and protest of local option taxes or fees in lieu**  
3 **of tax on motor vehicles.** (1) (a) A taxpayer who seeks to appeal the imposition of local option taxes on  
4 light vehicles or fees in lieu of tax assessed against a motor vehicle and imposed by the department of  
5 justice under authority of 15-8-202 shall file a written application for the appeal not later than 30 days  
6 after the anniversary date for reregistration, as determined by 61-3-315, of the vehicle that is the subject  
7 of the appeal. The application must be on a form prescribed by the department of justice in consultation  
8 with the state tax appeal board.

9           (b) The application must include a specific explanation of the basis for the taxpayer's appeal. The  
10 basis for appeal must be related to the factors to be considered and applied by the department of justice  
11 under ~~61-3-502 through 61-3-504~~ 61-3-503, 61-3-506, 61-3-528, and 61-3-529.

12           (2) (a) The treasurer of the county or municipality is not required to deposit ~~property~~ local option  
13 vehicle taxes or fees in lieu of tax on a motor vehicle paid under protest in the special fund designated as  
14 a protest fund as required for property taxes under 15-1-402. The taxes or fees paid under protest may  
15 be reported and distributed in the same manner as those received without protest.

16           (b) If a refund is payable as a result of the taxpayer prevailing in a tax appeal or court proceeding  
17 concerning the protested motor vehicle taxes or fees, a refund may be made in accordance with  
18 15-16-603.

19           (3) (a) A motor vehicle tax appeal may be heard by the county tax appeal board during its next  
20 regularly scheduled session if the application for the appeal was filed by December 1. If during its current  
21 session, a county tax appeal board refuses or fails to hear a taxpayer's application that was timely filed  
22 by December 1, then the taxpayer's application is considered to be granted on the day following the  
23 board's final meeting for that year.

24           (b) A motor vehicle tax appeal filed after December 1 may be held over by the board to a session  
25 in the following year. If a taxpayer's application that was timely filed after December 1 of the current  
26 session of the county tax appeal board is held over to a session in the following year and if the county tax  
27 appeal board refuses or fails to hear the application during the following session, then the application is  
28 considered to be granted on the day following the board's final meeting for that year."

29  
30           **Section 3.** Section 15-16-202, MCA, is amended to read:

1           **"15-16-202. Boats, snowmobiles, and motor vehicles -- payment of current and back ~~taxes and~~**

2 **fees.** (1) The fee in lieu of personal property taxes assessed against a boat for the year in which  
3 application for decals is made and the immediately previous year must be paid before license decals may  
4 be issued pursuant to 23-2-515.

5           (2) The fee in lieu of tax imposed on a snowmobile for the year in which application for registration  
6 is made and the immediately previous year must be paid before a snowmobile may be registered pursuant  
7 to 23-2-616.

8           (3) Except for mobile homes and manufactured homes as defined in 15-1-101, the ~~new motor~~  
9 ~~vehicle sales tax and the motor vehicle tax~~ light vehicle registration fee or fee in lieu of tax imposed or  
10 assessed against a motor vehicle for the current year and the immediately previous year must be paid  
11 before a motor vehicle may be registered or reregistered pursuant to 61-3-303.

12           (4) The provisions of subsections (1) through (3) do not require payment of the immediately  
13 previous year's ~~taxes or fees~~ if the ~~taxes or fees~~ have already been paid."

14  
15           **Section 4.** Section 19-6-709, MCA, is amended to read:

16           **"19-6-709. (Temporary) Supplemental benefits for certain retirees.** (1) In addition to any  
17 retirement benefit payable under this chapter, a retired member or a survivor determined by the board to  
18 be eligible under subsection (2) must receive an annual lump-sum benefit payment beginning in September  
19 1991 and each succeeding year as long as the member remains eligible.

20           (2) To be eligible for the benefits under this section, a person must be receiving a monthly benefit  
21 before July 1, 1991, may not be covered by 19-6-710, and must be:

22           (a) a retired member who is 55 years of age or older and who has been receiving a service  
23 retirement benefit for at least 5 years prior to the date of distribution;

24           (b) a survivor of a member who would have been eligible under subsection (2)(a); or

25           (c) a recipient of a disability or survivorship benefit under 19-6-601 or 19-6-901.

26           (3) A retired member otherwise qualified under this section who is employed in a position covered  
27 by a retirement system under Title 19 is ineligible to receive any lump-sum benefit payments provided for  
28 in this section until the member's service in the covered position is terminated. Upon termination of the  
29 member's covered service, the retired member becomes eligible in the next fiscal year succeeding the  
30 member's termination.

(4) (a) ~~An amount equal to 25 cents~~ The amount of each motor vehicle registration fee ~~provided for in referred to in 61-3-321(5)(b) and (5)(c) and the fees collected under 61-3-527(4)(b) and 61-3-562(1)(b)~~ must be paid from the general fund to the pension trust fund at the end of each fiscal year.

The payment is statutorily appropriated, as provided in 17-7-502, to the pension fund for payment of benefits to eligible recipients. The total funds must be distributed by the board in lump-sum payments to eligible recipients along with their normal retirement benefit payment.

(b) The lump-sum payment must be distributed proportionally to all eligible recipients based on service credit at the time of retirement, subject to the following:

(i) a recipient under subsection (2)(c) is considered to have 20 years of service for the purposes of the distributions;

(ii) any recipient of a service retirement benefit exceeding the maximum monthly benefit under 19-6-707(2)(a) must have the recipient's service credit reduced 25% for the purposes of the distributions;

(iii) the maximum annual increase in the amount of supplemental benefits paid to each individual under this section is the percentage increase for the previous calendar year in the annual average consumer price index for urban wage earners and workers, compiled by the bureau of labor statistics of the United States department of labor or its successor agency.

(c) Any amount deposited in the pension trust fund under subsection (4)(a) for the payment of supplemental benefits under this section that exceeds the limitation of subsection (4)(b)(iii) must be used to amortize unfunded liabilities of the retirement system.

(5) Every 10 years following July 1, 1991, the board shall review the ~~size of the additional fee collected under 61-3-321(5) and~~ amount paid to the pension trust fund in accordance with subsection (4)(a) and recommend to each legislature following the board's review any legislation necessary to reduce the ~~fee fees~~ to the minimum amount necessary to provide the supplemental benefits provided by this section. (Terminates upon death of last eligible recipient--sec. 1, Ch. 567, L. 1991.)"

**Section 5.** Section 20-9-141, MCA, is amended to read:

**"20-9-141. Computation of general fund net levy requirement by county superintendent.** (1) The county superintendent shall compute the levy requirement for each district's general fund on the basis of the following procedure:

(a) Determine the funding required for the district's final general fund budget less the sum of direct

1 state aid and the special education allowable cost payment for the district by totaling:

2 (i) the district's nonisolated school BASE budget requirement to be met by a district levy as  
3 provided in 20-9-303; and

4 (ii) any general fund budget amount adopted by the trustees of the district under the provisions  
5 of 20-9-308 and 20-9-353, including any additional funding for a general fund budget that exceeds the  
6 maximum general fund budget.

7 (b) Determine the money available for the reduction of the property tax on the district for the  
8 general fund by totaling:

9 (i) the general fund balance reappropriated, as established under the provisions of 20-9-104;

10 (ii) 98% of actual amounts received in fiscal year 1999 for light vehicle taxes under 61-3-504, as  
11 that section read on December 31, 1998;

12 (iii) amounts received in the last fiscal year for which revenue reporting was required for each of  
13 the following:

14 (A) revenue from taxes and fees imposed under 23-2-517, 23-2-803, 61-3-521, 61-3-527,  
15 61-3-529, 61-3-537, 61-3-560 through 61-3-562, 61-3-570, and 67-3-204;

16 (B) interest earned by the investment of general fund cash in accordance with the provisions of  
17 20-9-213(4); and

18 (C) any other revenue received during the school fiscal year that may be used to finance the  
19 general fund, excluding any guaranteed tax base aid;

20 (iv) anticipated tuition payments for out-of-district pupils under the provisions of 20-5-321 through  
21 20-5-323, except the amount of tuition received for a pupil who is a child with a disability in excess of  
22 the amount received for a pupil without disabilities, as calculated under 20-5-323(2);

23 (v) anticipated oil and natural gas production taxes;

24 (vi) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703 and  
25 property tax reimbursements under 15-1-111, 15-1-112, and section 167, Chapter 584, Laws of 1999;  
26 and

27 (vii) anticipated revenue from corporation license taxes collected from financial institutions under  
28 the provisions of 15-31-702.

29 (c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the  
30 property tax required to finance the general fund that has been determined in subsection (1)(b) from any

1 general fund budget amount adopted by the trustees of the district, up to the BASE budget amount, to  
2 determine the general fund BASE budget levy requirement.

3 (d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional  
4 funding requirement to be met by an over-BASE budget amount, a district levy as provided in 20-9-303,  
5 and any additional financing as provided in 20-9-353 to determine any additional general fund levy  
6 requirements.

7 (2) The county superintendent shall calculate the number of mills to be levied on the taxable  
8 property in the district to finance the general fund levy requirement for any amount that does not exceed  
9 the BASE budget amount for the district by dividing the amount determined in subsection (1)(c) by the sum  
10 of:

11 (a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as  
12 certified by the superintendent of public instruction; and

13 (b) the current total taxable valuation of the district, as certified by the department of revenue  
14 under 15-10-202, divided by 1,000.

15 (3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be  
16 reported to the county commissioners on the fourth Monday of August by the county superintendent as  
17 the general fund net levy requirement for the district, and a levy must be set by the county commissioners  
18 in accordance with 20-9-142.

19 (4) For each school district, the department of revenue shall calculate and report to the county  
20 superintendent the amount of revenue anticipated for the ensuing fiscal year from revenue from coal gross  
21 proceeds under 15-23-703 and property tax reimbursements under 15-1-111, 15-1-112, and section 167,  
22 Chapter 584, Laws of 1999."

23

24 **Section 6.** Section 20-9-331, MCA, is amended to read:

25 **"20-9-331. Basic county tax for elementary equalization and other revenue for county equalization**  
26 **of elementary BASE funding program.** (1) Subject to 15-10-420, the county commissioners of each county  
27 shall levy an annual basic county tax of 33 mills on the dollar of the taxable value of all taxable property  
28 within the county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-521,  
29 61-3-527, 61-3-529, 61-3-537, 61-3-560 through 61-3-562, 61-3-570, and 67-3-204, for the purposes  
30 of elementary equalization and state BASE funding program support. The revenue collected from this levy

1 must be apportioned to the support of the elementary BASE funding programs of the school districts in  
2 the county and to the state general fund in the following manner:

3 (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
4 the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the  
5 BASE funding programs of all elementary districts of the county.

6 (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
7 required to repay a state advance for county equalization, the county treasurer shall remit the surplus  
8 funds to the state treasurer for deposit to the state general fund immediately upon occurrence of a surplus  
9 balance and each subsequent month, with any final remittance due no later than June 20 of the fiscal year  
10 for which the levy has been set.

11 (2) The revenue realized from the county's portion of the levy prescribed by this section and the  
12 revenue from the following sources must be used for the equalization of the elementary BASE funding  
13 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
14 by the county treasurer in accordance with 20-9-212(1):

15 (a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for  
16 the elementary county equalization fund under the provisions of 17-3-222;

17 (b) the portion of the federal flood control act funds distributed to a county and designated for  
18 expenditure for the benefit of the county common schools under the provisions of 17-3-232;

19 (c) all money paid into the county treasury as a result of fines for violations of law, except money  
20 paid to a justice's court, and the use of which is not otherwise specified by law;

21 (d) any money remaining at the end of the immediately preceding school fiscal year in the county  
22 treasurer's accounts for the various sources of revenue established or referred to in this section;

23 (e) any federal or state money distributed to the county as payment in lieu of property taxation,  
24 including federal forest reserve funds allocated under the provisions of 17-3-213;

25 (f) gross proceeds taxes from coal under 15-23-703;

26 (g) oil and natural gas production taxes; and

27 (h) anticipated revenue from ~~property taxes and~~ fees imposed under 23-2-517, 23-2-803,  
28 61-3-521, 61-3-529, ~~61-3-537, 61-3-570,~~ and 67-3-204."

29

30 **Section 7.** Section 20-9-333, MCA, is amended to read:



1           **"20-9-333. Basic county tax for high school equalization and other revenue for county equalization**

2   **of high school BASE funding program.** (1) Subject to 15-10-420, the county commissioners of each county  
3 shall levy an annual basic county tax of 22 mills on the dollar of the taxable value of all taxable property  
4 within the county, except for property subject to a tax or fee under 23-2-517, 23-2-803, 61-3-521,  
5 61-3-527, 61-3-529, 61-3-537, 61-3-560 through 61-3-562, 61-3-570, and 67-3-204, for the purposes  
6 of high school equalization and state BASE funding program support. The revenue collected from this levy  
7 must be apportioned to the support of the BASE funding programs of high school districts in the county  
8 and to the state general fund in the following manner:

9           (a) In order to determine the amount of revenue raised by this levy that is retained by the county,  
10 the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the  
11 county's high school tuition obligation and the total of the BASE funding programs of all high school  
12 districts of the county.

13           (b) If the basic levy and other revenue prescribed by this section produce more revenue than is  
14 required to repay a state advance for county equalization, the county treasurer shall remit the surplus  
15 funds to the state treasurer for deposit to the state general fund immediately upon occurrence of a surplus  
16 balance and each subsequent month, with any final remittance due no later than June 20 of the fiscal year  
17 for which the levy has been set.

18           (2) The revenue realized from the county's portion of the levy prescribed in this section and the  
19 revenue from the following sources must be used for the equalization of the high school BASE funding  
20 program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue  
21 by the county treasurer in accordance with 20-9-212(1):

22           (a) any money remaining at the end of the immediately preceding school fiscal year in the county  
23 treasurer's accounts for the various sources of revenue established in this section;

24           (b) any federal or state money distributed to the county as payment in lieu of property taxation,  
25 including federal forest reserve funds allocated under the provisions of 17-3-213;

26           (c) gross proceeds taxes from coal under 15-23-703;

27           (d) oil and natural gas production taxes; and

28           (e) anticipated revenue from ~~property taxes and~~ fees imposed under 23-2-517, 23-2-803,  
29 61-3-521, 61-3-529, ~~61-3-537, 61-3-570~~, and 67-3-204."

1           **Section 8.** Section 23-2-616, MCA, is amended to read:

2           **"23-2-616. Registration and decals -- application and issuance -- use of certain fees.** (1) Except  
3 for a snowmobile registered under 23-2-621, a snowmobile may not be operated on public lands by any  
4 person in Montana unless it has been registered and there is displayed in a conspicuous place on both sides  
5 of the cowl a decal as visual proof that the fee in lieu of property tax has been paid on it for the current  
6 year and the immediately previous year as required by 15-16-202.

7           (2) Application for registration must be made to the county treasurer upon forms to be furnished  
8 by the department of justice for this purpose, which may be obtained at the county treasurer's office in  
9 the county where the owner resides. The application ~~shall~~ must contain the following information:

- 10           (a) the name and address of the owner;  
11           (b) the certificate of ownership number;  
12           (c) the make of the snowmobile;  
13           (d) the model name of the snowmobile;  
14           (e) the year of manufacture;  
15           (f) a statement evidencing payment of the fee in lieu of property tax as required by 15-16-202;  
16 and  
17           (g) other information as the department of justice may require.

18           (3) The application must be accompanied by a decal fee of \$5, a registration fee of 50 cents, and,  
19 if the snowmobile has previously been registered, by the registration certificate for the most recent year  
20 in which the snowmobile was registered. The treasurer shall sign the application and issue a registration  
21 receipt that must contain information considered necessary by the department of justice and a listing of  
22 fees paid. The owner shall retain possession of the registration receipt until it is surrendered to the county  
23 treasurer for reregistration or to a purchaser or subsequent owner pursuant to a transfer of ownership.

24           (4) The county treasurer shall forward the signed application to the department of justice and shall  
25 issue to the applicant a decal in the style and design prescribed by the department of justice and of a  
26 different color than the preceding year, numbered in sequence.

27           (5) The county treasurer may not accept any application under this section until the applicant has  
28 paid the decal and registration fees and the fee in lieu of property tax on the snowmobile for the current  
29 year and the immediately previous year as required by 15-16-202.

30           (6) All money collected from payment of the decal fees and all interest accruing from use of this

1 money must be forwarded to the state treasurer and placed in the state special revenue fund to the credit  
2 of the department, with \$2.50 designated for use in enforcing the purposes of 23-2-601 through 23-2-644  
3 and \$2.50 designated for use in the development, maintenance, and operation of snowmobile facilities.  
4 All money collected from payment of the registration fee must be forwarded to the state treasurer and  
5 deposited in the general fund.

6 (7) The county treasurer shall ~~credit~~ distribute all fees in lieu of tax collected on snowmobiles to  
7 ~~the county motor vehicle suspense fund~~ in the same manner as provided for in 61-3-509(1)(b)."

8  
9 **Section 9.** Section 61-3-321, MCA, is amended to read:

10 **"61-3-321. Registration fees of vehicles -- certain vehicles exempt from license or registration fees**  
11 **-- disposition of fees.** (1) Registration or license fees must be paid upon registration or reregistration of  
12 motor vehicles, trailers, house trailers, and semitrailers, in accordance with this chapter, as follows:

- 13 (a) motor vehicles weighing 2,850 pounds or under (other than ~~motor trucks~~ trucks), \$5;  
14 (b) motor vehicles weighing over 2,850 pounds (other than ~~motor trucks~~ trucks), \$10;  
15 (c) electrically driven passenger vehicles, \$10;  
16 (d) all motorcycles and quadricycles, \$2;  
17 (e) tractors or trucks, \$10;  
18 (f) buses, which are classed as ~~motor trucks~~ trucks, licensed accordingly;  
19 (g) trailers and semitrailers less than 2,500 pounds declared weight and house trailers of all  
20 weights, \$2;  
21 (h) trailers and semitrailers over 2,500 and up to 6,000 pounds declared weight (except  
22 house trailers), \$5;  
23 (i) trailers and semitrailers over 6,000 pounds declared weight, \$10, except trailers and  
24 semitrailers registered in other jurisdictions through a proportional registration agreement;  
25 (j) trailers used exclusively in the transportation of logs in the forest or in the transportation of oil  
26 and gas well machinery, road machinery, or bridge materials, new and secondhand, \$15 annually,  
27 regardless of size or capacity.

28 (2) All rates are 25% higher for motor vehicles, trailers, and semitrailers that are not equipped with  
29 pneumatic tires.

30 (3) "Tractor", as specified in this section, means any motor vehicle, except a passenger car, that

1 is used for towing a trailer or semitrailer.

2 (4) If a motor vehicle, housetrailer, trailer, or semitrailer is originally registered 6 months after the  
3 time of registration as set by law, the registration or license fee for the remainder of the year is one-half  
4 of the regular fee except for trailers or semitrailers registered as provided in 61-3-721(6).

5 (5) (a) An additional fee of \$5.25 a year for each registration of a vehicle, except trailers and  
6 semitrailers registered in other jurisdictions and registered through a proportional registration agreement,  
7 must be collected as a registration fee. Revenue from this fee must be forwarded by the respective county  
8 treasurers to the state treasurer for deposit in the general fund.

9 ~~(b) The~~ Except as provided in subsection (5)(c), the department shall pay ~~an amount equal to~~ 25  
10 cents ~~from each motor vehicle registration of the~~ fee collected under subsection (5)(a) from the general  
11 fund to the pension trust fund for payment of supplemental benefits provided for in 19-6-709.

12 (c) The department shall pay 50 cents of the fee collected under subsection (5)(a) for a vehicle  
13 registered for a 24-month period under 61-3-560(3) from the general fund to the pension trust fund for  
14 payment of supplemental benefits provided for in 19-6-709.

15 (6) A fee of \$2 for each set of new number plates must be collected when number plates provided  
16 for under 61-3-332~~(3)~~(4) are issued. Revenue from this fee must be deposited as provided in subsection  
17 (5)(a).

18 (7) The provisions of this part with respect to the payment of registration fees do not apply to and  
19 are not binding upon motor vehicles, trailers, semitrailers, or tractors owned or controlled by the United  
20 States of America or any state, county, city, or special district, as defined in 18-8-202.

21 (8) The provisions of this section relating to the payment of registration fees or new number plate  
22 fees do not apply when number plates are transferred to a replacement vehicle under 61-3-317, 61-3-332,  
23 or 61-3-335.

24 (9) A person qualifying under 61-3-332(10)(d) or ~~61-3-504~~ 61-3-560(2)(c) is exempt from the  
25 fees required under subsections (1) and (5) of this section. (See compiler's comments for contingent  
26 termination of certain text.)"

27

28 **Section 10.** Section 61-3-332, MCA, is amended to read:

29 **"61-3-332. Number plates.** (1) A motor vehicle that is driven upon the streets or highways of  
30 Montana must display both front and rear number plates, bearing the distinctive number assigned to the

vehicle. ~~The number plates are in 10 series: one series for owners of motorcars, one for owners of motor vehicles of the motorcycle or quadricycle type, one for trailers, one for trucks, one for dealers in vehicles of the motorcycle or quadricycle type that bears the distinctive letters "MCD" or the letters "MC" and the word "DEALER", one for franchised dealers in new motorcars (including trucks and trailers) or new and used motorcars (including trucks and trailers) that bears the distinctive letter "D" or the word "DEALER", one for dealers in used motorcars only (including used trucks and trailers) that bears the distinctive letters "UD" or the letter "U" and the word "DEALER", one for dealers in trailers and/or semitrailers (new or used) that bears the distinctive letters "DTR" or the letters "TR" and the word "DEALER", one for dealers in recreational vehicles that bears the distinctive letters "RV" or the letter "R" and the word "DEALER", and one for special license plates. All markings for the various kinds of dealers' plates must be placed on the number plates assigned to the dealer, in the position that the department designates.~~

(2) In addition to special license plates and collegiate license plates authorized under this chapter, a separate series of number plates must be issued, in the manner specified, for each of the following vehicle or dealer types:

(a) passenger vehicles, including automobiles, vans, and sport utility vehicles;

(b) motorcycles and quadricycles, bearing the letters "MC" or "CYCLE";

(c) trucks, bearing the letter "T" or the word "TRUCK";

(d) trailers, bearing the letters "TR" or the word "TRAILER";

(e) dealers of new, or new and used, motor vehicles, including trucks and trailers, bearing the letter "D" or the word "DEALER";

(f) dealers of used motor vehicles only, including trucks and trailers, bearing the letters "UD" or the letter "U" and the word "DEALER";

(g) dealers of motorcycles or quadricycles, bearing the letters "MCD" or the letters "MC" and the word "DEALER";

(h) dealers of trailers or semitrailers, bearing the letters "DTR" or the letters "TR" and the word "DEALER"; and

(i) dealers of recreational vehicles, bearing the letters "RV" or the letter "R" and the word "DEALER".

(2)(3) (a) ~~At~~ Except as provided in subsections (4)(c) and (4)(d), all number plates for motor vehicles must be issued for a maximum period of 4 years, bear a distinctive marking, and be furnished by

the state. In years when number plates are not issued, the department shall provide nonremovable stickers bearing appropriate registration numbers that must be affixed to the license plates in use.

(b) For motorcycles, quadricycles, and light vehicles that are permanently registered as provided in 61-3-527 or 61-3-315 and 61-3-562, the department shall provide distinctive nonremovable stickers indicating that the vehicle is permanently registered. The stickers must be affixed to the license plates in use.

~~(3)~~(4) (a) Subject to the provisions of this section, the department shall create a new design for number plates as provided in this section, and it shall manufacture the newly designed number plates for issuance after December 31, 1999, to replace at renewal, as required in 61-3-312 and 61-3-314, number plates that were displayed on motor vehicles before that date.

(b) Beginning January 1, 2000, the department shall manufacture and issue new number plates every 4 years.

(c) A light vehicle that is registered for a 24-month period, as provided in 61-3-315 and 61-3-560, may display the number plate and plate design in effect at the time of registration for the entire 24-month registration period.

(d) A motorcycle, quadricycle, or light vehicle that is permanently registered, as provided in 61-3-527 or 61-3-315 and 61-3-562, may display the number plate and plate design in effect at the time of registration for the entire period that the vehicle is permanently registered.

~~(4)~~(5) In the case of motorcars passenger vehicles and trucks, plates must be of metal 6 inches wide and 12 inches in length. The outline of the state of Montana must be used as a distinctive border on the license plates, and the word "Montana" and the year must be placed across the plates. Registration plates must be treated with a reflectorized background material according to specifications prescribed by the department.

~~(5)~~(6) The distinctive registration numbers must begin with a number one or with a letter-number combination, such as "A 1" or "AA 1", or any other similar combination of letters and numbers. The distinctive registration number or letter-number combination assigned to the vehicle must appear on the plate preceded by the number of the county and appearing in horizontal order on the same horizontal baseline. The county number must be separated from the distinctive registration number by a separation mark unless a letter-number combination is used. The dimensions of the numerals and letters must be determined by the department, and all county and registration numbers must be of equal height.

~~(6)~~(7) For the use of exempt motor vehicles and motor vehicles that are exempt from the registration fee as provided in 61-3-560(2)(a), in addition to the markings provided in this section, number plates must bear the following distinctive markings:

(a) For vehicles owned by the state, the department may designate the prefix number for the various state departments. All numbered plates issued to state departments must bear the words "State Owned", and a year number may not be indicated on the plates because these numbered plates are of a permanent nature and will be replaced by the department only when the physical condition of numbered plates requires it.

(b) For vehicles that are owned by the counties, municipalities, and special districts, as defined in 18-8-202, organized under the laws of Montana and not operating for profit, and that are used and operated by officials and employees in the line of duty and for vehicles on loan from the United States government or the state of Montana to, or owned by, the civil air patrol and used and operated by officials and employees in the line of duty, there must be placed on the number plates assigned, in a position that the department may designate, the letter "X" or the word "EXEMPT". Distinctive registration numbers for plates assigned to motor vehicles of each of the counties in the state and those of the municipalities and special districts that obtain plates within each county must begin with number one and be numbered consecutively. Because these number plates are of a permanent nature, they are subject to replacement by the department only when the physical condition of the number plates requires it and a year number may not be displayed on the number plates.

~~(7) On all number plates assigned to motor vehicles of the truck and trailer type, other than tax-exempt trucks and tax-exempt trailers, there must appear the letter "T" or the word "TRUCK" on plates assigned to trucks and the letters "TR" or the word "TRAILER" on plates assigned to trailers and house trailers. The letters "MC" or the word "CYCLE" must appear on plates assigned to vehicles of the motorcycle or quadricycle type.~~

(8) Number plates issued to a passenger ~~car~~ vehicle, truck, trailer, ~~or vehicle of the motorcycle, or quadricycle type~~ may be transferred only to a replacement passenger ~~car~~ vehicle, truck, trailer, ~~or motorcycle or quadricycle type vehicle~~ motorcycle, or quadricycle. A registration or license fee may not be assessed upon a transfer of a number plate under 61-3-317 and 61-3-335.

(9) For the purpose of this chapter, the several counties of the state are assigned numbers as follows: Silver Bow, 1; Cascade, 2; Yellowstone, 3; Missoula, 4; Lewis and Clark, 5; Gallatin, 6; Flathead,

1 7; Fergus, 8; Powder River, 9; Carbon, 10; Phillips, 11; Hill, 12; Ravalli, 13; Custer, 14; Lake, 15;  
2 Dawson, 16; Roosevelt, 17; Beaverhead, 18; Chouteau, 19; Valley, 20; Toole, 21; Big Horn, 22;  
3 Musselshell, 23; Blaine, 24; Madison, 25; Pondera, 26; Richland, 27; Powell, 28; Rosebud, 29; Deer  
4 Lodge, 30; Teton, 31; Stillwater, 32; Treasure, 33; Sheridan, 34; Sanders, 35; Judith Basin, 36; Daniels,  
5 37; Glacier, 38; Fallon, 39; Sweet Grass, 40; McCone, 41; Carter, 42; Broadwater, 43; Wheatland, 44;  
6 Prairie, 45; Granite, 46; Meagher, 47; Liberty, 48; Park, 49; Garfield, 50; Jefferson, 51; Wibaux, 52;  
7 Golden Valley, 53; Mineral, 54; Petroleum, 55; Lincoln, 56. Any new counties must be assigned numbers  
8 by the department as they may be formed, beginning with the number 57.

9 (10) Each type of special license plate approved by the legislature, except collegiate license plates  
10 authorized in 61-3-463, must be a separate series of plates, numbered as provided in subsection ~~(5)~~ (6),  
11 except that the county number must be replaced by a nonremovable design or decal designating the group  
12 or organization to which the applicant belongs. Unless otherwise specifically stated in this section, the  
13 special plates are subject to the same rules and laws as govern the issuance of regular license plates, must  
14 be placed or mounted on a vehicle owned by the person who is eligible to receive them, and must be  
15 removed upon sale or other disposition of the vehicle. The special license plates must be issued to national  
16 guard members, former prisoners of war, persons with disabilities, reservists, disabled veterans, survivors  
17 of the Pearl Harbor attack, veterans of the armed services, national guard veterans, legion of valor  
18 members, or veterans of the armed services who were awarded the purple heart medal, who comply with  
19 the following provisions:

20 (a) (i) An active member of the Montana national guard may be issued special license plates with  
21 a design or decal displaying the letters "NG". The adjutant general shall issue to each active member of  
22 the Montana national guard a certificate authorizing the department to issue national guard plates,  
23 numbered in sets of two with a different number on each set, and the member shall surrender the plates  
24 to the department upon becoming ineligible to use them.

25 (ii) The department may issue national guard veteran plates, bearing a design or decal displaying  
26 the Montana national guard insignia and the words "National Guard veteran" and numbered in sets of two  
27 with a different number on each set, to an applicant who presents to the department a copy of certification  
28 of national guard retirement eligibility issued by the appropriate authorities for the applicant or the  
29 applicant's deceased spouse and who pays, in addition to all taxes and fees required by parts 3 and 5 of  
30 this chapter, a national guard veteran license plate fee of \$10. The additional fee must be distributed in



1 accordance with the provisions of subsection (10)(f)(iii) and (10)(f)(iv).

2 (b) An active member of the reserve armed forces of the United States of America who is a  
3 resident of this state may be issued special license plates with a design or decal displaying the following:  
4 United States army reserve, AR (symbol); United States naval reserve, NR (anchor); United States air force  
5 reserve, AFR (symbol); and United States marine corps reserve, MCR (globe and anchor). The commanding  
6 officer of each armed forces reserve unit shall issue to each eligible member of the reserve unit a  
7 certificate authorizing the issuance of special license plates, numbered in sets of two with a different  
8 number on each set. The member shall surrender the plates to the department upon becoming ineligible  
9 to use them.

10 (c) (i) A resident of Montana who is a veteran of the armed forces of the United States and who  
11 is 100% disabled because of an injury that has been determined by the department of veterans affairs to  
12 be service-connected may, upon presentation to the department of proof of the 100% disability, be issued:

13 (A) a special license plate under this section with a design or decal displaying the letters "DV";  
14 or

15 (B) one set of any other military-related plates that the disabled veteran is eligible to receive under  
16 this section.

17 (ii) The fee for original or renewal registration by a 100% disabled veteran for a passenger vehicle  
18 or a truck with a GVW-rated capacity of 1 ton or less is \$5 and is in lieu of all other fees and taxes for that  
19 vehicle under this chapter.

20 (iii) Special license plates issued to a disabled veteran are not transferable to another person.

21 (iv) A disabled veteran is not entitled to a special disabled veteran's license plate for more than one  
22 vehicle.

23 (v) A vehicle lawfully displaying a disabled veteran's plate and that is conveying a 100% disabled  
24 veteran is entitled to the parking privileges allowed a person with a disability's vehicle under this title.

25 (d) (i) A Montana resident who is a veteran of the armed forces of the United States and was  
26 captured and held prisoner by a military force of a foreign nation, documented by the veteran's service  
27 record, may upon application and presentation of proof be issued special license plates, numbered in sets  
28 of two with a different number on each set, with a design or decal displaying the words "ex-prisoner of  
29 war" or an abbreviation that the department considers appropriate.

30 ~~(+)(ii)~~ Fees required under 61-3-321(1) and (5) may not be assessed upon one set of license plates

1 issued to an ex-prisoner of war under this subsection (10)(d).

2 ~~(ii)(iii)~~ A special license plate fee may not be assessed upon one set of special license plates issued  
3 to an ex-prisoner of war under this subsection (10)(d).

4 ~~(iii)(iv)~~ An ex-prisoner of war is exempt from the ~~light vehicle taxes~~ registration fees imposed under  
5 ~~61-3-504~~ 61-3-560 through 61-3-562 for one vehicle that displays a set of ex-prisoner of war license  
6 plates.

7 ~~(iv)(v)~~ A surviving spouse of an ex-prisoner of war may retain the special license plates that have  
8 been issued to the ex-prisoner of war if the spouse complies with the provisions of 61-3-457.

9 (e) Except as provided in subsections (10)(c) and (10)(d), upon payment of all taxes and fees  
10 required by parts 3 and 5 of this chapter and upon furnishing proof satisfactory to the department that the  
11 applicant meets the requirements of this subsection (10)(e), the department shall issue to a Montana  
12 resident who is a veteran of the armed services of the United States special license plates, numbered in  
13 sets of two with a different number on each set, designed to indicate that the applicant is a survivor of  
14 the Pearl Harbor attack if the applicant was a member of the United States armed forces on December 7,  
15 1941, was on station on December 7, 1941, during the hours of 7:55 a.m. to 9:45 a.m. (Hawaii time)  
16 at Pearl Harbor, the island of Oahu, or was offshore at a distance of not more than 3 miles, and received  
17 an honorable discharge from the United States armed forces. If special license plates issued under  
18 subsection (10)(d) and this subsection are lost, stolen, or mutilated, the recipient of the plates is entitled  
19 to replacement plates upon request and without charge.

20 (f) A motor vehicle owner and resident of this state who is a veteran or the surviving spouse of  
21 a veteran of the armed services of the United States may be issued license plates inscribed as provided  
22 in subsection (10)(f)(i) if the veteran was separated from the armed services under other than dishonorable  
23 circumstances or was awarded the purple heart medal:

24 (i) Upon submission of a department of defense form 214(DD-214) or its successor or documents  
25 showing an other-than-dishonorable discharge or a reenlistment, proper identification, and other relevant  
26 documents to show an applicant's qualification under this subsection, there must be issued to the  
27 applicant, in lieu of the regular license plates prescribed by law, special license plates numbered in sets  
28 of two with a different number on each set. The plates must display:

29 (A) the word "VETERAN" and a symbol signifying the United States army, United States navy,  
30 United States air force, United States marine corps, or United States coast guard, according to the record

1 of service verified in the application; or

2 (B) a symbol representing the purple heart medal.

3 (ii) Plates must be furnished by the department to the county treasurer, who shall issue them to  
4 a qualified veteran or to the veteran's surviving spouse. The plates must be placed or mounted on the  
5 vehicle owned by the veteran or the veteran's surviving spouse designated in the application and must be  
6 removed upon sale or other disposition of the vehicle.

7 (iii) Except as provided in subsections (10)(c) and (10)(d), a veteran or surviving spouse who  
8 receives special license plates under this subsection (10)(f) is liable for payment of all taxes and fees  
9 required under parts 3 and 4 of this chapter and a special veteran's or purple heart medal license plate fee  
10 of \$10. Upon an original application for a license under this subsection (10)(f), the county treasurer shall:

11 (A) deposit \$3 of the special fee in the county general fund;

12 (B) remit \$1 for deposit in the state general fund; and

13 (C) deposit the remainder of the special fee in the state special revenue account established in  
14 10-2-603 for administration, construction, operation, and maintenance of the state veterans' cemeteries.

15 (iv) Upon subsequent annual renewal of registration, the county treasurer shall deposit all of the  
16 special fee as provided in subsection (10)(f)(iii)(C).

17 (g) A Montana resident who is eligible to receive a special parking permit under 49-4-301 may,  
18 upon written application on a form prescribed by the department, be issued a special license plate with  
19 a design or decal bearing a representation of a wheelchair as the symbol of a person with a disability.

20 (h) The department may issue legion of valor license plates, bearing a design or decal depicting  
21 the recognized legion of valor medallion and numbered in sets of two with a different number on each set,  
22 to an applicant who presents to the department proper documentation of receipt of a legion of valor award  
23 by appropriate authorities to the applicant or the applicant's deceased spouse and who pays all taxes and  
24 fees required by parts 3 and 5 of this chapter.

25 (11) The provisions of this section do not apply to a motor vehicle, trailer, or semitrailer that is  
26 registered as part of a fleet, as defined in 61-3-712, and that is subject to the provisions of 61-3-711  
27 through 61-3-733."

28

29 **Section 11.** Section 61-3-457, MCA, is amended to read:

30 **"61-3-457. Ex-prisoner of war license plates transferable to spouse -- conditions.** Upon the death

1 of an ex-prisoner of war and providing that the surviving spouse does not remarry, the spouse of an  
2 ex-prisoner of war may retain and renew the one set of special license plates issued under 61-3-332(10)(d)  
3 and is not liable for light vehicle ~~taxes under 61-3-504~~ registration fees under 61-3-560 through 61-3-562,  
4 for the fees required under 61-3-321(1) and (5), or for the special license plate fees required under  
5 61-3-332."

6

7 **Section 12.** Section 61-3-463, MCA, is amended to read:

8 **"61-3-463. Collegiate license plates.** (1) Subject to the provisions of 61-3-332~~(3)~~(4) and the  
9 requirement that collegiate license plates must have a white reflectorized background, the department shall  
10 design, cause to be manufactured, and issue collegiate license plates as provided in 61-3-464 through  
11 61-3-466.

12 (2) After consultation with each institution, the department shall prescribe the color and insignia  
13 to be displayed on the collegiate license plates for each institution.

14 (3) In addition to each institution's distinctive color and insignia provided in subsection (2), each  
15 collegiate license plate must:

16 (a) be imprinted consecutively with distinctive numerals from 1 through 99999, capital letters A  
17 through Z, or a combination of numerals and letters; and

18 (b) bear a nonremovable sticker denoting the correct county designation under 61-3-332.

19 (4) The department shall determine the minimum and maximum number of characters, including  
20 both numerals and letters, on the collegiate license plates.

21 (5) An issue of collegiate license plates may not be ordered or manufactured for any individual  
22 institution unless at least 400 sets of plates are ordered and prepaid."

23

24 **Section 13.** Section 61-3-501, MCA, is amended to read:

25 **"61-3-501. When vehicle taxes and fees are due.** (1) ~~Motor~~ Light vehicle registration fees, local  
26 option vehicle taxes or fees, fees in lieu of tax, ~~new car taxes~~, and other fees must be paid on the date  
27 of registration or reregistration of the vehicle.

28 (2) (a) If the anniversary date for reregistration of a vehicle passes while the vehicle is owned and  
29 held for sale by a licensed new or used car dealer, light vehicle registration fees, ~~motor~~ local option vehicle  
30 taxes or fees, or fees in lieu of tax abate on the vehicle properly reported with the county treasurer until

the vehicle is the subject of a retail sale. After the sale, the purchaser shall pay the pro rata balance of the light vehicle registration fees, local option VEHICLE taxes or fees, or fees in lieu of tax due and owing on the vehicle.

(b) For the purposes of this subsection (2), a retail sale does not include a transfer between any of the following:

(i) a licensed new motor vehicle or used motor vehicle dealer;

(ii) another licensed new motor vehicle or used motor vehicle dealer;

(iii) a licensed wholesaler; or

(iv) a licensed auto auction.

(3) In the event that a vehicle's registration period is changed under 61-3-315, all light vehicle registration fees, local option VEHICLE taxes or fees, ~~or~~ fees in lieu of tax, and other fees due must be prorated and paid from the last day of the old period until the first day of the new period in which the vehicle is registered. The light vehicle registration fees, local option VEHICLE taxes or fees, ~~or~~ fees in lieu of tax, and other fees must be paid from the first day of the new period for a minimum period of 1 year. When the change is to a later registration period, light vehicle registration fees, local option VEHICLE taxes or fees, and other fees must be prorated and paid based on the same tax year as the original registration period. Thereafter, during the appropriate anniversary registration period, each vehicle must again be registered or reregistered and all light vehicle registration fees, local option VEHICLE taxes or fees, and other fees must be paid for a 12-month period."

**Section 14.** Section 61-3-507, MCA, is amended to read:

**"61-3-507. Exemption.** A vehicle that is exempt from taxation and registration fees under 15-6-215 or subject to the provisions of 61-3-520 is exempt from all other taxes and fees generally imposed on a vehicle by this part."

**Section 15.** Section 61-3-509, MCA, is amended to read:

**"61-3-509. Disposition of taxes fees.** ~~(1) All registration fees imposed by 61-3-561 from light vehicles, all registration fees imposed by 61-3-522 from motor homes, all fees in lieu of tax imposed by 61-3-527 from motorcycles and quadricycles, and all fees imposed by 61-3-529 from buses, motor vehicles having a manufacturer's rated capacity of more than 1 ton, and truck tractors, for which a license~~

~~is sought and an original application for title that includes a manufacturer's statement of origin is made, must be remitted to the state treasurer every 30 days. The state treasurer shall credit the payments to the highway restricted state special revenue account.~~

~~(2)(1) (a) Except as provided in~~ After deducting the amounts under subsections (1) (2) and (3), every 30 days the county treasurer shall, ~~after deducting the district court fee, credit all taxes on motor vehicles, distribute~~ registration fees on light vehicles collected under 61-3-560 through 61-3-562; and fees in lieu of tax on motorcycles, quadricycles, motor homes, travel trailers, campers, trailers, pole trailers, semitrailers, buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors collected under 61-3-521, 61-3-527, and 61-3-529, ~~61-3-537, and 61-3-560 through 61-3-562 to a motor vehicle suspense fund. At some time between March 1 and March 10 of each year and every 60 days after that date, the county treasurer shall distribute the money in the motor vehicle suspense fund as provided in subsections (1)(b) and (1)(c).~~

~~(b) Except for registration fees collected under 61-3-560 through 61-3-562 as provided in subsection (1)(c), the county treasurer shall distribute the money in the fund~~ registration fees collected under 61-3-560 through 61-3-562 and fees in lieu of tax collected under 61-3-521, 61-3-527, and 61-3-529 in the relative proportions required by the levies for state, county, school district, and municipal purposes in the same manner as personal property taxes are distributed.

~~(c) For money in the fund~~ collected under 61-3-527 and 61-3-560 through 61-3-562, the county treasurer shall disregard the statewide mills levied for the university system under 20-25-423, the mills levied for county elementary and high school equalization under 20-9-331 and 20-9-333, the mills levied for state equalization aid under 20-9-360, and the mills levied for state assumption of public assistance under 53-2-813 in determining distribution proportions of the money and may not distribute money collected under 61-3-527 and 61-3-560 through 61-3-562 to the state for those levies.

~~(2) (A) All EXCEPT AS PROVIDED IN SUBSECTION (2)(B), ALL~~ registration fees collected under 61-3-560 and 61-3-561 from light vehicles for the first year of registration, all fees in lieu of tax collected under 61-3-522 from motor homes, all fees in lieu of tax collected under 61-3-527 from motorcycles and quadricycles, and all fees in lieu of tax collected under 61-3-529 from buses, motor vehicles having a manufacturer's rated capacity of more than 1 ton, and truck tractors, for which a license REGISTRATION is sought and THAT IS ACCOMPANIED BY an original application for title that includes a manufacturer's statement of origin is made, must be remitted to the state treasurer every 30 days. The state treasurer shall credit

1 the payments to the highway restricted state special revenue account.

2 (B) SUBSECTION (2)(A) DOES NOT APPLY TO REGISTRATION FEES COLLECTED FOR THE SECOND 12-MONTH PERIOD  
3 FROM A VEHICLE THAT IS REGISTERED FOR A 24-MONTH PERIOD.

4 (3) ~~The~~ Except for the registration fees remitted to the state under subsection (2), the county  
5 treasurer shall deduct as a district court fee 10% of the amount of the remaining registration fee fees  
6 collected on light vehicles under 61-3-560 through 61-3-562. The county treasurer shall credit the fee for  
7 district courts to a separate suspense account and shall forward and remit the amount in the account to  
8 the state treasurer at the time that the county treasurer distributes money from the motor vehicle suspense  
9 fund is distributed under subsection (1). The state treasurer shall credit ~~amounts received under this~~  
10 ~~subsection~~ the payments to the state special revenue fund to be used for purposes of state funding of  
11 district court expenses as provided in 3-5-901."

12  
13 **Section 16.** Section 61-3-537, MCA, is amended to read:

14 **"61-3-537. (Temporary) Local option vehicle tax.** (1) A county may impose a local vehicle tax on  
15 vehicles subject to the registration fee imposed under 61-3-560 through 61-3-562 at a rate of up to 0.7%  
16 of the value determined under 61-3-503 or a local flat fee, in addition to the fee imposed under 61-3-560  
17 through 61-3-562.

18 (2) A local vehicle tax or flat fee is payable at the same time and in the same manner as the fee  
19 imposed under 61-3-560 through 61-3-562. The first priority of the local vehicle tax or flat fee is for  
20 district court funding, and the tax or fee is distributed as follows:

21 (a) 50% to the county; and

22 (b) the remaining 50% to the county and the incorporated cities and towns within the county,  
23 apportioned on the basis of population. The distribution to a city or town is determined by multiplying the  
24 amount of money available by the ratio of the population of the city or town to the total county population.  
25 The distribution to the county is determined by multiplying the amount of money available by the ratio of  
26 the population of unincorporated areas within the county to the total county population.

27 (3) The governing body of a county may impose, revise, or revoke a local vehicle tax or flat fee  
28 if the imposition, revision, or revocation of the tax or fee is approved by the electorate of the county. The  
29 imposition, revision, or revocation of the tax or fee is effective on January 1 following its approval by the  
30 electorate. The county governing body by resolution may provide for the distribution of the local vehicle

1 tax or flat fee. (Terminates June 30, 2005--sec. 2, 3, Ch. 217, L. 1995.)

2 **61-3-537. (Effective July 1, 2005) Local option vehicle tax.** (1) A county may impose a local  
3 vehicle tax on vehicles subject to the registration fee imposed under 61-3-560 through 61-3-562 at a rate  
4 of up to 0.7% of the value determined under 61-3-503, in addition to the fee imposed under 61-3-560  
5 through 61-3-562.

6 (2) A local vehicle tax or flat fee is payable at the same time and in the same manner as the fee  
7 imposed under 61-3-560 through 61-3-562 and is distributed in the same manner as provided in  
8 61-3-509(1)(b), based on the registration address of the owner of the motor vehicle.

9 (3) The governing body of a county may impose, revise, or revoke a local vehicle tax if the  
10 imposition, revision, or revocation of the tax is approved by the electorate of the county. The imposition,  
11 revision, or revocation of the tax is effective on January 1 following its approval by the electorate."

12

13 **Section 17.** Section 61-3-560, MCA, is amended to read:

14 **"61-3-560. Light vehicle registration fee -- exemptions -- 24-month registration.** (1) Except as  
15 provided in ~~subsection~~ subsections (2) and (3), there is a registration fee imposed on light vehicles. The  
16 registration fee is in addition to other annual registration fees.

17 (2) The following vehicles are exempt from the fee imposed in subsection (1):

18 (a) ~~Light~~ light vehicles that meet the description of property exempt from taxation under  
19 15-6-201(1)(a), (1)(c) through (1)(e), (1)(g), (1)(m), (1)(o), (1)(q), or (1)(w), 15-6-203, or 15-6-215, except  
20 as provided in 61-3-520, ~~are exempt from the fee imposed in subsection (1):~~

21 (b) ~~A motor~~ a light vehicle owned by a disabled veteran qualifying for one set of special license  
22 plates under 61-3-332(10)(c) or 61-3-426;

23 (c) a light vehicle owned by an ex-prisoner of war qualifying for one set of special plates under  
24 61-3-332(10)(d) or a surviving spouse of an ex-prisoner of war under 61-3-457; and

25 (d) ~~a motor~~ light vehicle registered under 61-3-456 ~~is exempt from the fee imposed by this~~  
26 ~~section.~~

27 ~~(e)(3)~~ (3) A dealer for light vehicles is not required to pay the registration fee for light vehicles that  
28 constitute inventory of the dealership and that are reported under 61-3-501.

29 ~~(3)(4)~~ (4) The owner of a ~~motor~~ light vehicle subject to the provisions of 61-3-313 through 61-3-316  
30 may register the light vehicle for a period not to exceed 24 months. The application for registration or



1 reregistration must be accompanied by the registration fee and all other fees required in this chapter for  
2 each 12-month period of the 24-month period. However, the registration fees required under  
3 61-3-321(1)(a) or (1)(b) paid at the time of registration or reregistration apply for the entire 24-month  
4 registration period."

5

6 **Section 18.** Section 61-3-562, MCA, is amended to read:

7 **"61-3-562. Permanent registration -- transfer of vehicle ownership -- rules.** (1) (a) The owner of  
8 a light vehicle 11 years old or older subject to the registration fee, as provided in 61-3-561, may  
9 permanently register the vehicle upon payment of a \$50 registration fee, the applicable registration and  
10 license fees under 61-3-321, and an amount equal to five times the applicable fees imposed for each of  
11 the following:

- 12 (i) junk vehicle disposal fees under 61-3-508;  
13 (ii) weed control fees under 61-3-510;  
14 (iii) county motor vehicle computer fees under 61-3-511;  
15 (iv) the local option vehicle tax or flat fee on vehicles under 61-3-537;  
16 (v) if applicable, license plate fees under 61-3-332 and renewal fees for personalized plates under  
17 61-3-406;  
18 (vi) if applicable, the amateur radio operator license plate fee under 61-3-422; and  
19 (vii) if applicable, the annual scholarship donation fee under 61-3-465.

20 (b) A person who permanently registers a vehicle as provided in subsection (1)(a) shall pay an  
21 additional \$2 fee at the time of registration for deposit in the state general fund. The department shall pay  
22 from the general fund an amount equal to the \$2 fee collected under this subsection (1)(b) from each  
23 motor vehicle registration to the pension trust fund for payment of supplemental benefits provided for in  
24 19-6-709.

25 (2) In addition to the fees described in subsection (1), an owner of a truck with a manufacturer's  
26 rated capacity of 1 ton or less that is permanently registered shall pay five times the applicable fees  
27 imposed under 61-10-201.

28 (3) The owner of a vehicle that is permanently registered under this section is not subject to  
29 additional fees under 61-3-561 or to other motor vehicle registration fees described in this section for as  
30 long as the owner owns the vehicle.

(4) The county treasurer shall:

(a) ~~disburse~~ distribute the \$50 registration fee collected under this section as provided in 61-3-509;

(b) once each month, remit to the state treasurer the amounts collected under this section for the purposes of ~~61-3-121(5)~~ 61-3-321(5), 61-3-508, 61-3-510, 61-3-511, and 61-10-201.

(5) (a) The permanent registration of a vehicle allowed by this section may not be transferred to a new owner. If the vehicle is transferred to a new owner, the department shall cancel the vehicle's permanent registration.

(b) Upon transfer of a vehicle registered under this section to a new owner, the new owner shall apply for a certificate of ownership under 61-3-201 and file an application for registration under 61-3-303."

**Section 19.** Section 61-3-736, MCA, is amended to read:

**"61-3-736. Assessment of proportionally registered interstate motor vehicle fleets -- payment of fee in lieu of tax fees required for registration.** (1) (a) The department of transportation shall determine the fee for the purpose of imposing the fee in lieu of tax as provided in 61-3-528 and 61-3-529 on buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors and the light vehicle registration fee under 61-3-560 and 61-3-561 on light vehicles, buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors, in interstate motor vehicle fleets that are proportionally registered under the provisions of 61-3-711 through 61-3-733. The fee must be apportioned on the ratio of total miles traveled to in-state miles traveled as prescribed by 61-3-721. The fee in lieu of tax or registration fee on interstate motor vehicle fleets is imposed upon application for proportional registration and must be paid by the persons who own or claim the fleet or in whose possession or control the fleet is at the time of the application.

(b) With respect to an original application for a fleet that has a situs in Montana for the purpose of the fee in lieu of tax or registration fee under this part or any other provision of the laws of Montana, the fee in lieu of tax or registration fee on fleet vehicles must be prorated according to the ratio that the remaining number of months in the year bears to the total number of months in the year.

(c) Vehicles ~~taxed~~ subject to the light vehicle registration fee as part of a fleet under this subsection ~~(2)~~ (1) are not subject to the local option tax or flat fee imposed under 61-3-537 or 61-3-570.

(2) With respect to a renewal application for a fleet, the fee in lieu of tax ~~is~~ and the light vehicle registration fee are imposed for a full year.

(3) Vehicles contained in a fleet for which current fees have been assessed and paid may not be assessed or charged fees under this section upon presentation to the department of proof of payment of fees for the current registration year. The payment of fleet vehicle fees in lieu of tax, light vehicle registration fees, and license fees is a condition precedent to proportional registration or reregistration of an interstate motor vehicle fleet.

(4) All fees collected on motor vehicle fleets under this chapter must be deposited and distributed as provided in 61-3-738."

**Section 20.** Section 61-3-737, MCA, is amended to read:

**"61-3-737. Situs in state of proportionally registered fleets -- collection of fees.** (1) For the purposes of this part, any vehicle previously registered or that has had application for registration made under the provisions of 61-3-711 through 61-3-733 has a situs in Montana for the purposes of the light vehicle registration fee or the fee in lieu of tax.

(2) The department of transportation shall collect the fleet vehicle registration fees, fees in lieu of tax, and license fees prescribed in this part."

**Section 21.** Section 61-3-738, MCA, is amended to read:

**"61-3-738. Deposit and distribution of fees on proportionally registered fleets.** The light vehicle registration fees, fees in lieu of tax, and license fees collected under this part must be deposited with the state treasurer for distribution to the general fund of each county on the following basis:

(1) for fleet vehicle registration fees and fees in lieu of tax, according to the ratio of the taxable valuation of each county to the total state taxable valuation; and

(2) for fleet vehicle license fees, according to the ratio of vehicle license fees, other than fees derived from interstate motor vehicle fleets, collected in each county to the sum of all fleet vehicle fees collected in all the counties."

**NEW SECTION. Section 22. Effective date.** [This act] is effective on passage and approval.

1        NEW SECTION. **Section 23. Retroactive applicability.** [This act] applies retroactively, within the  
2        meaning of 1-2-109, to motor vehicles registered after December 31, 2000.

3

4 NEW SECTION. **Section 24. Termination.** The provisions of 61-3-321(5)(b) and (5)(c),  
5 61-3-527(4)(b), and 61-3-562(1)(b) terminate upon the death of the last recipient eligible under  
6 19-6-709(2) for the supplemental benefit provided by 19-6-709.

7 - END -